

**NOTE FOR POSSIBLE SUPPLEMENTARIES TO THE STARRED LCQ NO. 762 GIVEN
NOTICE BY SRI M.S. PRABHAKAR RAO, SRI PONGULETI SUDHAKAR REDDY AND
SRI M. RANGA REDDY, MLCS**

In combined State of Andhra Pradesh new procurement policy was introduced by the Government vide G.O.Rt. No. 1357, HM&FW (M1) Dept, dt. 19-10-2009 with objectives of making available of essential medicines of good quality, at all health facilities in the State, at all times procured at competitive prices in a transparent manner and to promote rational use of medicines. More specifically, the following objectives are sought to be achieved through this policy framework.

- a) Only medicines essential for the effective delivery of medical and health services shall be procured.
- b) The budget provided for procurement of medicines shall be apportioned equitably among the various health facilities.
- c) The procurement shall be effected as per a prescribed calendar for ensuring timely availability
- d) The procurement procedure shall be efficient and transparent
- e) A significant emphasis shall be laid on quality of medicines procured
- f) The medicines procured shall be stored in proper conditions, transported and delivered to the health facilities systematically at their door step.
- g) An environment is created for promoting the rational use of medicines.
- h) A comprehensive information system for managing the entire cycle of procurement shall be established.

The EML and AML was prepared keeping in view of the WHO norms, Standard Treatment Guidelines and also through extensive consultations with specialists and super specialist working in the Govt. hospitals in the State. The Government has issued G.O.Ms. No. 115, HM&FW Dept, dt. 13-5-2010 for 608 EML and 36 AML items (total 646). After deliberate discussions and examination of EML / AML, the Standing Expert Committee chaired by the Director of Medical Education revised the list with 628 EML/AML. Govt. has issued G.O Ms. No. 204, HM&FW (M2) Dept, dt. 17-12-2013 and G.O.Ms. No. 101, HM&FW (M1) Dept, dt. 29-5-2014 for 628 EML/AML items as shown below:-

Essential Medicine List:

Universal (U-156)	PHCS, UHCs and other primary health facilities shall be limited to those listed as 'U'.
Secondary (S-130)	The secondary health facilities (CHCs, Area Hospitals and Urban Dispensaries shall utilize those Medicines listed as "U" and "S".
Tertiary (T-70)	Tertiary Hospitals i.e., Teaching Hospitals, District Hospitals and Super Speciality Hospitals will have access to all drugs included in the EML (U,S &T).

Additional Medicine List:

AML (272)	The Medicines included in AML 2013 will be for the exclusive use of super-specialty and advanced speciality institutions and are for both centralized and decentralized procurement.
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Out of 628 EML/AML, Corporation has rate contract for 418 medicines. T.No. 4 (202 Medicines). T. No. 2 (56 Medicines), T. No. 10 (45 Medicines) and T.No. 9 (115 Medicines) and Antibiotics 18 (which have been procuring from CPSU / PSUs as per G.O.Rt. No. 1357).

Recently a workshop is conducted on 10th & 11th of September 2015 to update the list of EML/AML.

- Corporation is following complete transparent system through e-procurement platform and comparing the rates with different corporations and the market rates. We have successfully reduced the rates of different medicines encouraging competition and negotiations.
- Vide G.O.Rt. No. 1357, stocks required for at least three months should be maintained at all times.
- Vide G.O.204, the MD, TSMSIDC, Hyderabad and other Heads of Department shall procure only those medicines in the AML / EML list. All hospitals under other Departments of Govt. of Telangana and the private sector hospitals, especially those included in Rajiv Arogyasri Network, are also strongly encouraged to use the medicines notified in the order.
- Corporation has been procuring those Medicines listed in EML/AML and based on consumption pattern of Medicines at District Level.
- The Medicines for which there is no consumption pattern, corporation requesting the HODs to submit their indents so as to place purchase orders and supply to the needy hospitals.
- Recently for 2nd quarter of 2015-16 also, corporation requested all HODs to send indents immediately for placing of purchase orders to 99 new rate contract medicines and based on the indents received from them, corporation placed purchase orders to supply the stock to the indented hospitals.
- In Telangana for rate contract tender No. 4, Corporation got less than existing RC rates for 150 medicines.
- Recently corporation has placed purchase orders for supply of 170 medicines and from April 2015 to till date for a value of Rs. 19 crores.
- Corporation has been taken up all the steps time to time procure and to make availability of maximum number of medicines and surgical items to the needy poor patients in transparent manner.
- Corporation has adopted new software, i.e., CDAS for the process of online indenting, e-tenders, online procurement, distribution, accountancy etc., from peripheral to state level.
- Hence in view of the above, it is to state that TSMSIDC is not purchasing unwanted medicines for the sake of commissions from Drugs supply contractors.

Distribution of Budget:

The budget available for drugs and medicines under various heads of the HM&FW Dept, under the state budget shall be apportioned between the HODs in the manner shown below:

Sl. No.	Name of the HOD % age of budget to be allocated	Percentage
1	Directorate of Medical Education	40%
2	Directorate of Health	40%
3	A.P. Vaidya Vidhana Parishad	18%
4	Instt. Of preventive Medicine	2 %

- During this financial year 2015-16, budget allotted for Medicines is Rs. 114.62 crores.
- The budget reserved for FDHS (104 vehicles) is Rs. 3.20 crores and for UHCs Rs. 2.30 crores. Vide G.O.Rt. No. 1357, the remaining budget i.e., is allotted to 4 HODs as shown below:-

Rs. in crores

Sl. No.	Name of the HOD	Total budget allotment	Other provisions	Total budget	Centralized budget	Decentralized budget
1	Director of Medical Education	43.648 (40%)	5 (for oxyzen)	38.648	30.9184 (80%)	7.7296 (20%)
2	DH	43.648 (40%)	11 (for epidemics & vector borne diseases)	32.648	29.3832 (90%)	3.2648 (10%)
3	TSVVP	19.6416 (18%)	0	19.6416	17.67744 (90%)	1.96416 (10%)
4	IPM	109.12	16	93.12	80.16144	12.95856

SURESH CHANDA
PRINCIPAL SECRETARY TO GOVERNMENT

**TELANGANA LEGISLATIVE COUNCIL
SESSION – III - (MEETING-II)**

Starred LCQ No. 762

Notice given by:

**Sri M.S. Prabhakar Rao
Sri Ponguleti Sudhakar Reddy
Sri M. Ranga Reddy, MLCs**

Will the Minister for Medical & Health be pleased to state:

- a) The procedure being adopted for supply of medicines to Government Hospitals through Telangana State Medical Services Infrastructure Development Corporation ;
- b) The details of medicines identified as emergency and ordinary to be purchased by Government ;
- c) Whether it has been brought to the notice that ordinary medicines are being purchased in large quantity rather than emergency medicines by several Government hospitals ; and
- d) If so, the action taken against the responsible persons ?

HEALTH, MEDICAL & FAMILY WELFARE (C2) DEPARTMENT

ANSWER

- a) TSMSIDC has been procuring medicines through e-procurement platform.
- b) 356 Medicines are identified as Essential Medicines and 272 Medicines are identified Additional Medicines and are being procured by the Government
- c) No Sir.
- d) Does not arise.

(The above answer has been approved by the Hon'ble Minister for Health, Medical & Family Welfare)

for PRINCIPAL SECRETARY TO GOVERNMENT

To

The T.S.L.C. (Questions) Dept.,
Council Buildings, Hyderabad.

Copy to: -

The P.S. to Spl. Secy to C.M.
The OSD to M (M&H)
The G.A. (L&C) Dept.
The P.S. to Prl. Secy., to Govt., HM&FW Dept.
The HM & FW (G) Dept.
Sf/Sc.

HM&FW (C) Dept., U.O. Note No. 9167/C2/2015, Dated: 5-10-2015

